

Mortgage Late? Don't Wait!

Act Now. Before It's Too Late.



Dear Homeowner:

You have taken an important step toward preserving homeownership. The enclosed information includes foreclosure prevention tips and steps to take before meeting with a housing advisor or contacting your lender.

Not everyone will be able to avoid foreclosure in these difficult times. However, the faster one acts, the more options will be available. We are here to help you understand your options and find the best solution.

Homeowners Preserving Equity (HOPE) is a program of the Maryland Department of Housing and Community Development, in partnership with the Department of Labor, Licensing, and Regulation, community organizations, and lenders.

Call us at the Maryland HOPE Hotline, 1-877-462-7555, if you have any questions along the way.

Raymond A. Skinner
Secretary,
Maryland Department of
Housing and Community Development



DHCD

Maryland Department of Housing
and Community Development

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Crownsville, MD 21032

Hope Hotline 1-877-462-7555

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Deputy Secretary



Mortgage Late? Don't Wait!

Here's your Consumer Information Kit
from Maryland HOPE...

Step 1: Prepare



Do the following before meeting with a nonprofit housing counselor or legal advisors:

1. Complete a Consumer Information form (enclosed).
2. Make a copy of your most recent mortgage statement or payment coupon.
3. Make a copy of all mortgage documents given to you before and at the closing for your current loan.
4. Gather all mail you may have received from your lender about mortgage lateness, including any letters regarding potential foreclosure actions.
5. Write a hardship letter (format enclosed).

What is a hardship letter? A hardship letter is required by most lenders before they will consider offering relief to borrowers. The letter can be hand written. The letter must include this information:

- “I would to like stay in my house.”
- “I fell behind on my mortgage payments as of _____ date.”
- “The reason I fell behind is _____.”
- “The situation has changed and I will be able to make my mortgage payment because _____.”

6. Complete a Household Monthly Budget form (enclosed).
7. Make a copy of pay stubs for all household earners for the two most recent pay periods, and also copy two months of bank statements.

Take Action NOW!

1. Contact your lender:

Contact your lender as soon as you realize you have a financial challenge.

Open and respond to all mail from your lender or their agents. Lenders do not want to take your home! But delays will reduce your options.

2. Talk with a nonprofit housing counselor:

Free foreclosure prevention help is available from Maryland's network of nonprofit housing counselors listed in this kit. Help is also available, 24/7, via a national hotline at 1-888-995-HOPE, or www.hpfonline.org.

Housing counselors can help you understand your mortgage options and negotiate with your lender. Get ready with the enclosed information!

3. Try to refinance to a more affordable mortgage:

The Maryland Department of Housing and Community Development (DHCD) has safe and affordable financial options. See one of our HOPE nonprofit housing counseling partners in order to review your eligibility:

DHCD's Lifeline Refinance Program is aimed at homeowners who are not behind on their payments but who are facing an interest rate increase.

DHCD's Refinance Program is for homeowners that may have missed a few payments but who can afford to sustain a reasonable mortgage payment.

DHCD's Bridge To Hope Program is emergency 0% loan assistance to help homeowners catch up on payments while they work out a solution with their counselor and lender to stay in their home.

Also, “**FHA Secure**” is a HUD refinancing program which you can learn about by calling 1-800-CALL-FHA (1-800-225-5342).

4. Avoid foreclosure “rescue” scams:

Free and objective assistance from a nonprofit housing counselor and your lender is available!

Some companies will promise you mortgage help for a fee. Some advertise their services on signs on telephone poles and in median strips. Some may be legitimate, but others have taken costly advantage of Maryland consumers.

If you feel you have been the victim of a scam, you can report this to Maryland's Department of Labor, Licensing & Regulation, www.dlir.state.md.us, 1-888-784-0136.

Don't sign any legal documents without getting objective advice from a qualified attorney. More information about legal assistance and predatory real estate practices is available at www.mdhope.org.

5. Prioritize your spending and SAVE money:

Review your finances and cut spending where you can. Look especially at variable expenses like entertainment, clothing, and memberships.

Do you have assets you can sell? Can anyone in your household work more hours for additional income? Efforts such as these demonstrate to your lender that you are willing to make sacrifices to keep your home.

6. If foreclosure is unavoidable:

Other supportive services in your area, such as emergency housing, can be found by contacting United Way's 211/ First Call for Help, 1-800-492-0618.

If you need to locate affordable rental housing, see DHCD's housing locator service at www.mdhousingsearch.org or call 1-877-428-8844.

Step 2: Take Action



Tips to Avoid Being Scammed

If you are behind on your mortgage payments and are facing foreclosure, consider the following DOs and DON'Ts:

DO:

- Contact your lender and try to refinance the loan or work out a payment plan.
- Contact an attorney.
- Contact a reputable counseling agency.
- Contact the Maryland HOPE Hotline at 1-877-462-7555 for referrals to free nonprofit housing counseling and legal services.
- Get everything in writing.

DON'T:

- Ignore warning letters from your bank or lender. The problem will not go away, and will only get worse if you ignore it.
- Sign a contract under duress.
- Sign any documents without consulting with an attorney or counseling agency.
- Sign any agreement with blank lines or spaces.
- Sign over your deed to a third-party or agree to any deal that supposedly allows you to rent the property and buy it back later.
- Sign any documents without reading them first.
- Enter into oral agreements.
- Make your mortgage payments to someone other than the lender.
- Make a deal with someone who solicits you uninvited by mail, telephone, flyer or in person.
- Fall for promises that sound too good to be true. That's a tell-tale sign of a scam.
- Pay anyone up front who promises to negotiate with your lender.

www.mdhope.org • 1-877-462-7555

Consumer Information

Please complete this form before meeting with your housing counselor. Be sure to take it with you to your first appointment. If you have any questions, please call the HOPE Hotline at 1-877-462-7555 or go on-line to www.mdhope.org.

Borrower First Name: Last Name:		Date:
Co-Borrower Name:		
Borrower Annual Household Income:		Co-Borrower Annual Household Income:
Household type: (Check all that apply) <input type="checkbox"/> Single adult <input type="checkbox"/> Two or more unmarried adults <input type="checkbox"/> Married with children <input type="checkbox"/> Married without children <input type="checkbox"/> Female-headed single-parent household <input type="checkbox"/> Male-headed single-parent household <input type="checkbox"/> Senior <input type="checkbox"/> Other	Street address of property (do not use P.O. box):	
	City:	
	County: State: Zip Code:	
	Phone numbers work/home/cell:	
Who owns the residence in question:	Email address:	
I make my mortgage payment to:	My total monthly mortgage payment is:	
I am or may soon be behind on my mortgage payment because: <input type="checkbox"/> My income was reduced <input type="checkbox"/> Loss of job <input type="checkbox"/> Loss of income for another reason <input type="checkbox"/> Medical issues or expenses <input type="checkbox"/> Family issues <input type="checkbox"/> Increase in expenses <input type="checkbox"/> Divorce or separation <input type="checkbox"/> Death of a family member <input type="checkbox"/> Failed business venture <input type="checkbox"/> Increase in mortgage payment <input type="checkbox"/> Other (please explain):	My payments are now: <input type="checkbox"/> Current <input type="checkbox"/> 30–60 days late <input type="checkbox"/> 61–90 days late <input type="checkbox"/> 91–120 days late <input type="checkbox"/> More than 120 days late <input type="checkbox"/> Unknown or unsure	
	Have you contacted your lender? <input type="checkbox"/> Yes <input type="checkbox"/> No If “Yes,” what was their response?	

Household Monthly Budget

Please complete this form with your budget information so that you can review your financial situation with your housing counselor. Be sure to take it with you to your first appointment. If you have any questions, please call the HOPE Hotline at 1-877-462-7555.

A. Household Expenses:

Fixed Monthly Expenses	Payment
Mortgage	
2nd Mortgage	
Gas & Electric	
Heating Oil	
Water & Sewer	
Telephone	
Car Payment 1	
Car Payment 2	
Auto Insurance	
Life Insurance	
Medical Insurance	
Alimony/Child Support	
Alarm System	
Property Taxes/Insurance	
Other / Minimum Credit Card Payment	
Sub-Total, FIXED Expenses	

Variable Monthly Expenses	Payment
Groceries	
Eating Out	
Gas	
Bus/Taxi/Parking	
Car Repair	
Toiletries/Hair Care	
Medical/Prescriptions	
Day Care	
Cable TV	
Clothing/Laundry	
Lottery	
Church/Charity	
Entertainment	
Cell Phone	
Other	
Sub-Total ,VARIABLE Expenses	

TOTAL MONTHLY EXPENSES

B. Your Monthly Income:

Before Taxes	After Taxes

Spouse or Partner's Income:

Before Taxes	After Taxes

Other Household Income:

Before Taxes	After Taxes

C. Credit Card and Other Debts:

Creditor Name	Min. Payment	Balance

D. Surplus/Deficit:

Total net monthly household income	
Subtract total monthly expenses	
= Monthly surplus or deficit	

Hardship Letter Format

To (Name of Lender):

Date:

From Borrower(s):

Loan #

I would like to remain in my house, but I fell behind on my mortgage payments as of (date):

The reason I fell behind is:

I will be able to overcome these difficulties and make my mortgage payment because:

- I have a new job
- I have a second job
- I have reduced my household expenses
- I have additional income form my son, daughter, etc.

and/or - I can make the payments at my original interest rate. If you freeze my interest rate, I can make my payments.

Borrower Signature

Co-Borrower